



May 10, 2006

TO: Transportation Authority of Marin Commissioners

FROM: Dianne Steinhauser, Executive Director

RE: State and Federal Legislation, Agenda Item 10

Dear Commissioners:

**Executive Summary** TAM staff has developed a legislative program to guide staff in the review and comment on legislation that is being considered by the federal and state governments.  
**Recommendation:** That the TAM Executive Committee make a recommendation to the full TAM Board to approve the Legislative Program as outlined in the staff report.

At the March 30, 2006 TAM meeting, the Commission adopted Infrastructure Investment Principles to guide staff in the review of different proposals provided by the Administration or Legislature for state bonds.

Following are recommendations for TAM's legislative program for 2006:

## **2006 FEDERAL LEGISLATIVE PROGRAM**

**Highway 101 "Marin-Sonoma Narrows" Project.** Work with regional partners, the state and the federal government to seek additional funding for the "Marin-Sonoma Narrows" Project, which would alleviate congestion on the U.S. 101 corridor in Marin and Sonoma Counties from Highway 37 in Novato to Old Redwood Highway in Petaluma. This project is the final of seven phases for the widening and improvement of U.S. 101 in Marin and Sonoma counties.

The federal "Safe, Accountable, Flexible, Efficient Transportation Equity Act of 2005" (SAFETEA-LU) authorized \$27 million for the Marin-Sonoma Narrows project, as well as an additional \$900,000 for bicycle and pedestrian improvements associated with the project, through FY 2009. Significantly more funding is necessary. Work to secure federal annual appropriations to implement this project.

## **2006 STATE LEGISLATIVE PROGRAM**

**Infrastructure Bond Acts.** Support Legislature or Administration-initiated infrastructure bond acts, such as S.B. 1266 (Perata; 2006), the "Highway Safety, traffic reduction, Air Quality, and port Security bond Act of 2006", a \$19.925 billion transportation and infrastructure funding measure proposed for the November 7, 2006 state ballot. Monitor

process and advocate for inclusion of Marin County projects where appropriate, including flood control and levee protection/rehabilitation projects.

**Authorize Local Vehicle Registration Fees.** Continue to support legislation which would authorize local governments, including Marin County, to levy an additional fee on the annual registration of motor vehicles in the county to fund the construction, improvement and maintenance of local streets and highways, as well as congestion management and pollution prevention programs. Authorization would provide self-help counties like Marin greater opportunity to compete for regional, state, and federal grants by providing additional matching funds.

In 2005, A.B. 1623 (Klehs) would have authorized a congestion management and environmental mitigation fee, raising an estimated \$1.25 million per year in Marin County. S.B. 658 (Kuehl) would have authorized a coastal environment motor vehicle mitigation program. Both were vetoed by the Governor in October, 2005. Current bills in the legislature are AB 2444 (Klehs) and SB 1611 (Simitian).

**Planning, Programming and Monitoring (PPM) funds.** Support efforts to enhance the availability, predictability and equity of PPM funds to local county transportation agencies, including the Transportation Authority of Marin (TAM). PPM funds can be used to develop planning studies and project initiation documents for new State Transportation Improvement Program (STIP) projects; for the efforts required to program projects in the STIP; and for monitoring projects once they are underway. Currently, local Measure A funds are being used by TAM for this purpose on the "San Rafael Gap Closure" project because PPM funds at \$24,000 annually are insufficient, with no funding available for supporting the "Marin/Sonoma Narrows" and future projects. A current bill in the legislature is AB 2538 (Wolk), which will increase the allowable PPM levels to 5% from the 1% of STIP County Share currently allowed.

**Highway 101 "San Rafael Gap Closure" Project.** Continue to work with state officials, the Transportation Authority of Marin, and other transportation groups to secure long-term funding commitments, or reimbursement/cost sharing of local expenses, for continuing phases of the San Rafael Gap Closure Project. The 4.5 mile-long Highway 101 widening project between Lucky Drive and North San Pedro Road will allow for a continuous carpool lane through Central Marin, as well as a north-south bicycle way through Puerto Suello Hill to improve bicycle safety. Measure A, approved by Marin County voters in 2004, is anticipated to fully fund and accelerate completion of this critical project, among other projects.

**Protect funding in the Traffic Congestion Relief Program (TCRP) and Proposition 42.** Support efforts to protect the Traffic Congestion Relief Program (TCRP), which in 2000 brought \$1.7 billion to the Bay Area for local roads and transit projects. The six-year funding program resulted from dedicating the sales tax on gasoline to transportation purposes through FY 2007-08.

While the FY 2005-06 State Budget fully funded Proposition 42, these funds in previous years were 'loaned' to the state general fund. Marin County should continue to ensure that no additional delays are imposed on the program, and that loans made from Proposition 42 funds are fully repaid with interest to local governments.

**Recommendation: That the TAM Executive Committee make a recommendation to the full TAM Board to approve the Legislative Program as outlined in the staff report.**

Attachments: AB 2444  
SB 1611  
AB 2538

AMENDED IN SENATE APRIL 19, 2006

**SENATE BILL**

**No. 1611**

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**Introduced by Senator Simitian**

February 24, 2006

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An act to add Section 9250.6 to the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 1611, as amended, Simitian. Congestion management fees.

Existing law provides for creation of congestion management agencies in various counties with specified powers and duties relative to management of transportation congestion. Existing law provides for the imposition by air districts and certain other local agencies of fees on the registration of motor vehicles in certain areas of the state that are in addition to the basic vehicle registration fee collected by the Department of Motor Vehicles.

This bill would authorize a congestion management agency ~~to impose, or where there is no congestion management agency, the board of supervisors, to place a majority vote ballot measure before the voters of a county authorizing the imposition of an annual fee of up to \$20 \$25 on each motor vehicle registered within the county for transportation projects and programs with a relationship or benefit to the persons paying the fee. The bill would require a specific transportation program with performance measures and a budget to be adopted before the fee is imposed. The bill would require the resolution imposing the fee to incorporate the specific transportation program to be funded by the fee and specified findings of fact. The bill would require the resolution to be adopted by a 2/3 vote of the governing board. The bill would require the agency to have an~~

~~independent audit conducted annually on the program and to provide a specified report to the Legislature~~ *the ballot measure resolution to be adopted by a majority vote of the governing board of the congestion management agency or the board of supervisors, as appropriate, at a noticed public hearing and would also require the resolution to contain a specified finding of fact.* The bill would require the Department of Motor Vehicles, if requested, to collect the fee and distribute the proceeds, after deduction of specified administrative costs, to the agency *or the board of supervisors, as appropriate,* and would enact other related provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 9250.6 is added to the Vehicle Code, to  
2     read:  
3     9250.6. (a) A county congestion management agency created  
4     pursuant to Chapter 2.6 (commencing with Section 65088) of  
5     ~~Division 1 of Title 7 of the Government Code may, impose an~~  
6     ~~annual fee of up to twenty dollars (\$20) on each motor vehicle~~  
7     ~~registered in the county, with the net revenues to be used for~~  
8     ~~transportation-related programs that have a relationship or benefit~~  
9     ~~to the persons that pay the fee, including the provision of~~  
10    ~~required matching funds for funding made available for~~  
11    ~~transportation from state general obligation bonds. The agency~~  
12    ~~may impose the fee only if the governing board adopts a~~  
13    ~~resolution providing both for the fee and the specific~~  
14    ~~transportation program in subdivision (b). The resolution shall~~  
15    ~~also contain a finding of fact that the projects and programs to be~~  
16    ~~funded by the fee have a relationship or benefit to the persons~~  
17    ~~who will be paying the fee. Adoption of the fee, the program, and~~  
18    ~~the finding of fact shall all require a two-thirds vote of the~~  
19    ~~governing board at a noticed public hearing.~~  
20    (b) Prior to imposition of the fee, the governing board shall  
21    adopt a specific program for expenditure of fee revenues, with  
22    performance measures and a budget. The program shall be  
23    adopted by the governing board at a noticed public hearing.  
24    (c) ~~The congestion management agency shall arrange for an~~  
25    ~~independent audit to be conducted annually on the specific~~

1 ~~program adopted pursuant to subdivision (b), with the auditor's~~  
2 ~~review and report to be provided annually to the governing board~~  
3 ~~at a noticed public hearing.~~

4 ~~(d) The congestion management agency shall provide a report~~  
5 ~~to the Legislature on the specific program adopted pursuant to~~  
6 ~~subdivision (b). The report shall include, but need not be limited~~  
7 ~~to, an evaluation of the impact and performance improvements~~  
8 ~~funded by the fee and the cost effectiveness of the program.~~

9 *Division 1 of Title 7 of the Government Code, or where there is*  
10 *no county congestion management agency, the board of*  
11 *supervisors, may place a majority vote ballot measure before the*  
12 *voters of a county to authorize an increase in the vehicle*  
13 *registration fee for transportation-related projects and*  
14 *programs. The ballot measure resolution shall be adopted by a*  
15 *majority vote of the governing board of a county congestion*  
16 *management agency, or where there is no county congestion*  
17 *management agency, the board of supervisors, at a noticed*  
18 *public hearing. The resolution shall also contain a finding of fact*  
19 *that the projects and programs to be funded by the fee have a*  
20 *relationship or benefit to the persons who will be paying the fee.*  
21 *Adoption of the resolution and the finding of fact shall all require*  
22 *a majority vote of the governing board or the board of*  
23 *supervisors, as appropriate, at a noticed public hearing.*

24 *(b) Pursuant to a ballot measure adopted under subdivision*  
25 *(a), the voters of a county may impose an annual fee of up to*  
26 *twenty-five dollars (\$25) on each motor vehicle registered in the*  
27 *county, with the net revenues to be used for*  
28 *transportation-related programs that have a relationship or*  
29 *benefit to the persons that pay the fee, including, but not limited*  
30 *to, the provision of required matching funds for funding made*  
31 *available for transportation from state general obligation bonds,*  
32 *congestion mitigation, and pollution prevention.*

33 ~~(e)–~~

34 *(c) The department shall, if requested by a congestion*  
35 *management agency or the board of supervisors, as appropriate,*  
36 *collect the fee imposed approved by the voters pursuant to this*  
37 *section upon the registration or renewal of registration of any*  
38 *motor vehicle registered in the county, except those vehicles that*  
39 *are expressly exempt under this code from the payment of*  
40 *registration fees. The agency or the board of supervisors, as*

1 *appropriate*, shall pay for the initial setup and programming  
2 costs identified by the department through a direct contract with  
3 the department. Any direct contract payment shall be repaid, with  
4 no restriction on the use of funds, to the agency *or the board of*  
5 *supervisors, as appropriate*, as part of the initial net revenues  
6 distributed. After deducting all nonreimbursed costs incurred by  
7 the department pursuant to this section, the department shall  
8 distribute the net revenues to the agency *or the board of*  
9 *supervisors, as appropriate*.

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AMENDED IN ASSEMBLY APRIL 26, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2538**

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**Introduced by Assembly Member Wolk**

February 23, 2006

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An act to amend Section 14527 of the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2538, as amended, Wolk. Transportation funds: planning and programming regional agencies.

Existing law generally provides for programming and allocation of funds for transportation capital improvement projects through the State Transportation Improvement Program process administered by the California Transportation Commission. Existing law requires 25% of available funds to be programmed and expended on interregional improvement projects nominated by the Department of Transportation, and 75% of available funds to be programmed and expended on regional improvement projects nominated by regional transportation planning agencies or county transportation commissions, as applicable, through adoption of a regional transportation improvement program. Existing law authorizes a transportation planning agency or county transportation commission to request and receive up to 1% of regional improvement fund expenditures for the purposes of project planning, programming, and monitoring, but authorizes an amount up to 5% of those expenditures for a transportation planning agency or county transportation commission not receiving federal metropolitan planning funds.



This bill would instead authorize each transportation planning agency or county transportation commission to request and receive up to 5% of those funds for the purposes of project planning, programming, and monitoring. The bill would also establish a minimum amount to be allocated for this purpose. The bill would change the references to “regional improvement funds” to instead refer to “county—~~shares.~~” *share.*” The bill would make other conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 14527 of the Government Code is  
2 amended to read:  
3 14527. (a) After consulting with the department, the regional  
4 transportation planning agencies and county transportation  
5 commissions shall adopt and submit to the commission and the  
6 department, not later than December 15, 2001, and December 15  
7 of each odd-numbered year thereafter, a five-year regional  
8 transportation improvement program in conformance with  
9 Section 65082. In counties where a county transportation  
10 commission has been created pursuant to Chapter 2  
11 (commencing with Section 130050) of Division 12 of the Public  
12 Utilities Code, that commission shall adopt and submit the  
13 county transportation improvement program, in conformance  
14 with Sections 130303 and 130304 of that code, to the  
15 multicounty designated transportation planning agency. Other  
16 information, including a program for expenditure of local or  
17 federal funds, may be submitted for information purposes with  
18 the program, but only at the discretion of the transportation  
19 planning agencies or the county transportation commissions. As  
20 used in this section, “county transportation commission” includes  
21 a transportation authority created pursuant to Chapter 2  
22 (commencing with Section 130050) of Division 12 of the Public  
23 Utilities Code.  
24 (b) The regional transportation improvement program shall  
25 include all projects to be funded with the county share under  
26 paragraph (2) of subdivision (a) of Section 164 of the Streets and  
27 Highways Code. The regional programs shall be limited to

1 projects to be funded in whole or in part with the county share  
2 that shall include all projects to receive allocations by the  
3 commission during the following five fiscal years. For each  
4 project, the total expenditure for each project component and the  
5 total amount of commission allocation and the year of allocation  
6 shall be stated. The total cost of projects to be funded with the  
7 county share shall not exceed the amount specified in the fund  
8 estimate made by the commission pursuant to Section 14525.

9 (c) The regional transportation planning agencies and county  
10 transportation commissions may recommend projects to improve  
11 state highways with the interregional share pursuant to  
12 subdivision (b) of Section 164 of the Streets and Highways Code.  
13 The recommendations shall be separate and distinct from the  
14 regional transportation improvement program. A project  
15 recommended for funding pursuant to this subdivision shall  
16 constitute a usable segment and shall not be a condition for  
17 inclusion of other projects in the regional transportation  
18 improvement program.

19 (d) The department may nominate or recommend the inclusion  
20 of projects in the regional transportation improvement program  
21 to improve state highways with the county share pursuant to  
22 paragraph (2) of subdivision (a) *and subdivision (e)* of Section  
23 164 of the Streets and Highways Code. A regional transportation  
24 planning agency and a county transportation commission shall  
25 have sole authority for determining whether any of the project  
26 nominations or recommendations are accepted and included in  
27 the regional transportation improvement program adopted and  
28 submitted pursuant to this section. This authority provided to a  
29 regional transportation planning agency or to a county  
30 transportation commission extends only to a project located  
31 within its jurisdiction.

32 (e) Major projects shall include current costs updated as of  
33 November 1 of the year of submittal and escalated to the  
34 appropriate year, and shall be consistent with, and provide the  
35 information required in, subdivision (b) of Section 14529.

36 (f) The regional transportation improvement program may not  
37 change the project delivery milestone date of any project as  
38 shown in the prior adopted state transportation improvement  
39 program without the consent of the department or other agency  
40 responsible for the project's delivery.

1 (g) Projects may not be included in the regional transportation  
2 improvement program without a complete project study report or,  
3 for a project that is not on a state highway, a project study report  
4 equivalent or major investment study.

5 (h) Each transportation planning agency and county  
6 transportation commission may request and receive an amount  
7 not to exceed 5 percent of its county share for the purposes of  
8 project planning, programming, and monitoring. In no case shall  
9 these amounts be less than the respective percentage *requested* of  
10 the county share for a state transportation improvement program  
11 of one billion two hundred fifty million dollars (\$1,250,000,000)  
12 per year.

13 ~~(i) For the purposes of this section, “county share” shall mean~~  
14 ~~“regional improvement funds” and “interregional share” shall~~  
15 ~~mean interregional improvement funds.~~

AMENDED IN ASSEMBLY MAY 3, 2006

AMENDED IN ASSEMBLY APRIL 6, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

## ASSEMBLY BILL

**No. 2444**

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**Introduced by Assembly Member Klehs**

**(Coauthors: Assembly Members ~~Lieber and Nation~~ Chan, Coto,  
Evans, Hancock, Leno, Lieber, Nation, Torrico, Wolk, and Yee)**

February 23, 2006

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An act to add Chapter 2.66 (commencing with Section 65089.20) and Chapter 2.67 (commencing with Section 65089.30) to Division 1 of Title 7 of the Government Code, and to add Sections 9250.3 and 9250.4 to the Vehicle Code, relating to transportation.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2444, as amended, Klehs. Congestion management and motor vehicle environmental mitigation fees.

Existing law provides for the imposition by air districts and other local agencies of fees on the registration of motor vehicles in certain areas of the state that are in addition to the basic vehicle registration fee collected by the Department of Motor Vehicles.

This bill would authorize the congestion management agencies in the 9 Bay Area counties, by a  $\frac{2}{3}$  vote of all of the members of the governing board, to impose an annual fee of up to \$5 on motor vehicles registered within those counties for a program for the management of traffic congestion. The bill would require a program with performance measures and a budget to be adopted before the fee may be imposed. The bill would require the agency to have an independent audit performed on the program and to submit a report to

the Legislature on the program by July 1, 2011. The bill would require the Department of Motor Vehicles, if requested, to collect the fee and distribute the net revenues, after deduction of specified costs, to the agency. The bill would require that the fees collected may only be used to pay for programs bearing a relationship or benefit to the owners of motor vehicles paying the fee, and would require the agency to make a specified finding of fact in that regard by a  $\frac{2}{3}$  vote.

This bill would also authorize the Bay Area Air Quality Management District, which is the air pollution control district for the 9-county Bay Area, to impose an annual fee of up to \$5 on motor vehicles registered with its jurisdiction for programs that mitigate the impacts of motor vehicles on the environment, including, but not limited to, stormwater runoff mitigation projects, water quality improvement projects, and air quality improvement projects. The bill would require a program with performance measures and a budget to be adopted by the Bay Area Air Quality Management District and the California Regional Water Quality Control Board for the San Francisco Bay Region before the fee may be imposed, and would require the fee to be adopted by a  $\frac{2}{3}$  vote of the governing board of the district. The bill would require the Department of Motor Vehicles, if requested, to collect the fee and to distribute the net revenues, after deduction of specified costs, to the Bay Area Air Quality Management District and to the California Regional Water Quality Control Board for the San Francisco Bay Region based on a specified formula. The bill would require the recipient agencies to have an independent audit performed on the program and to submit a report to the Legislature on the program by July 1, 2011. The bill would require that the fees collected may only be used to pay for programs bearing a relationship or benefit to the owners of motor vehicles paying the fee, and would require the board to make a specified finding of fact in that regard by a  $\frac{2}{3}$  vote.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Chapter 2.66 (commencing with Section
- 2 65089.20) is added to Division 1 of Title 7 of the Government
- 3 Code, to read:

1 CHAPTER 2.66. MANAGEMENT OF TRAFFIC CONGESTION IN  
2 THE BAY AREA  
3

4 65089.20. (a) As used in this chapter, “county transportation  
5 agency” means an agency designated pursuant to Section 66531  
6 to develop the county transportation plan.

7 (b) A county transportation agency may impose a fee of up to  
8 five dollars (\$5) on motor vehicles registered within the county if  
9 the board of the county transportation agency adopts a resolution  
10 providing for both the fee and a corresponding program for the  
11 management of traffic congestion as set forth in Sections  
12 65089.21 to 65089.24, inclusive. Adoption by the board requires  
13 a vote of approval by two-thirds of all the members of the board.

14 (c) A fee imposed pursuant to this section shall not become  
15 operative until six months after the effective date of this section  
16 and pursuant to the resolution adopted by the board in  
17 subdivision (b).

18 (d) A county transportation agency may adopt a resolution by  
19 a majority vote of the board to cease collection of the fee  
20 commencing on a date determined by the county transportation  
21 agency in consultation with the Department of Motor Vehicles.

22 65089.21. (a) The net revenues from the fee distributed to the  
23 county transportation agency pursuant to Section 9250.3 of the  
24 Vehicle Code shall be used for purposes of congestion  
25 management consistent with the objectives of Section 65089.

26 (b) (1) The revenues may be used to pay for programs with a  
27 relationship or benefit to the owners of motor vehicles that are  
28 paying the fee. Eligible projects include, but are not limited to,  
29 roadway operations and improvements (not including the  
30 construction of through freeway lanes), public transit capital  
31 improvements and operations, and bicycle and pedestrian safety  
32 projects and programs.

33 (2) Prior to imposing the fee, the board of the county  
34 transportation agency shall make a finding of fact by two-thirds  
35 of all the members of the board of that county transportation  
36 agency that those programs bear a relationship or benefit to the  
37 motor vehicles that will pay the fee.

38 (c) The purpose of the congestion management program is to  
39 address motor vehicle congestion.

1 (d) Not more than 5 percent of the fees distributed to the  
2 county transportation agency shall be used by the agency for its  
3 administrative costs associated with the program.

4 65089.22. Prior to the imposition of the fee by the county  
5 transportation agency, a specific program with performance  
6 measures and a budget shall first be developed and adopted by  
7 the county transportation agency at a noticed public hearing.

8 65089.23. The county transportation agency shall have an  
9 independent audit performed on the specific program adopted  
10 pursuant to Section 65089.22 with the review and report  
11 provided to the board at a noticed public hearing.

12 65089.24. The county transportation agency shall provide a  
13 report to the Legislature on the specific program adopted  
14 pursuant to Section 65089.22 by July 1, 2011.

15 SEC. 2. Chapter 2.67 (commencing with Section 65089.30) is  
16 added to Division 1 of Title 7 of the Government Code, to read:

17  
18 CHAPTER 2.67. ENVIRONMENTAL MITIGATION OF MOTOR  
19 VEHICLES IN THE BAY AREA  
20

21 65089.30. (a) As used in this chapter, “board” means the  
22 governing body of the Bay Area Air Quality Management  
23 District.

24 (b) The board may impose a fee of up to five dollars (\$5) on  
25 motor vehicles registered within the counties in its jurisdiction if  
26 the members of the board adopt a resolution providing for both  
27 the fee and a corresponding program for the mitigation of the  
28 impacts of motor vehicles on the environment submitted to the  
29 board as set forth in Sections 65089.31 to 65089.34, inclusive.  
30 Adoption by the board requires a vote of approval of two-thirds  
31 of all the members of the board.

32 (c) A fee imposed pursuant to this section shall not become  
33 operative until six months after the effective date of this section  
34 and pursuant to the resolution adopted by the board in  
35 subdivision (b).

36 (d) The board may adopt a resolution by majority vote to cease  
37 collection of the fee commencing on a date determined by the  
38 board in consultation with the Department of Motor Vehicles.

39 65089.31. (a) The net revenues available pursuant to Section  
40 9250.4 of the Vehicle Code shall be distributed as follows:

(1) Fifty percent to the Bay Area Air Quality Management District. Of these revenues, 75 percent shall be expended on projects in the county of origin, as determined by the district, and 25 percent shall be expended on regional projects.

(2) Fifty percent to the California Regional Water Quality Control Board for the San Francisco Bay Region. Of these revenues, 75 percent shall be expended on projects in the county of origin, as determined by the board, and 25 percent shall be expended on regional projects.

(b) (1) The revenues may be used to pay for programs that mitigate the impacts of motor vehicles on the environment, including, but not limited to, stormwater runoff mitigation projects, water quality improvement projects, and air quality improvement projects, including those that address emissions that contribute to climate change. The programs shall have a relationship or benefit to the owners of motor vehicles that are paying the fee.

(2) Prior to the imposition of the fee, the board shall make a finding of fact by a two-thirds vote of all of the members of the board that those programs bear a relationship or benefit to the motor vehicles that will pay the fee.

*(c) Not more than 5 percent of the fees distributed to the Bay Area Quality Management District or the California Regional Water Quality Control Board for the San Francisco Bay Region shall be used by those entities for their administrative costs associated with the programs specified in this section.*

65089.32. Prior to the imposition of the fee by the board, a specific program with performance measures and a budget shall first be developed and adopted by the Bay Area Air Quality Management District and the California Regional Water Quality Control Board for the San Francisco Bay Region for the anticipated revenues each agency is expected to receive pursuant to Section 65089.31. The adoption shall occur at a noticed public hearing of each agency. Each agency shall submit the program and budget to the board.

65089.33. The Bay Area Air Quality Management District and the California Regional Water Quality Control Board for the San Francisco Bay Region shall have an independent audit performed on the specific program adopted pursuant to Section



1 65089.32 with the review and report provided to each agency at a  
2 noticed public hearing.

3 65089.34. The Bay Area Air Quality Management District  
4 and the California Regional Water Quality Control Board for the  
5 San Francisco Bay Region shall provide a report to the  
6 Legislature on the specific program adopted pursuant to Section  
7 65089.32 by July 1, 2011.

8 SEC. 3. Section 9250.3 is added to the Vehicle Code, to read:

9 9250.3. (a) The department shall, if requested by a county  
10 transportation agency, collect the fee imposed pursuant to  
11 Section 65089.20 of the Government Code upon the registration  
12 or renewal of registration of any motor vehicle registered in the  
13 county, except those vehicles that are expressly exempted under  
14 this code from the payment of registration fees.

15 (b) A county transportation agency shall pay for the initial  
16 setup and programming costs identified by the Department of  
17 Motor Vehicles through a direct contract with the department.  
18 Any direct contract payment by the county transportation agency  
19 shall be repaid, with no restriction on the funds, to the county  
20 transportation agency as part of the initial revenues distributed.  
21 Regular Department of Motor Vehicles collection costs shall be  
22 in accordance with subdivision (c). These costs shall not be  
23 counted against the 5-percent administration cost limit specified  
24 in subdivision (d) of Section 65089.21.

25 (c) After deducting all costs incurred pursuant to this section,  
26 the department shall distribute the net revenues to the county  
27 transportation agency.

28 (d) As used in this section, "county transportation agency" has  
29 the same meaning as in subdivision (a) of Section 65089.20 of  
30 the Government Code.

31 SEC. 4. Section 9250.4 is added to the Vehicle Code, to read:

32 9250.4. (a) The department shall, if requested by the  
33 governing board of the Bay Area Air Quality Management  
34 District, collect the fee imposed pursuant to Section 65089.30 of  
35 the Government Code upon the registration or renewal of  
36 registration of any motor vehicle registered in a county within the  
37 jurisdiction of the board, except those vehicles that are expressly  
38 exempted under this code from the payment of registration fees.

39 (b) The board shall pay for the initial setup and programming  
40 costs identified by the Department of Motor Vehicles through a

1 direct contract with the department. Any direct contract payment  
2 by the board shall be repaid, with no restriction on the funds, to  
3 the board as part of the initial revenues available for distribution.  
4 Regular Department of Motor Vehicles collection costs shall be  
5 in accordance with subdivision (c). *These costs shall not be*  
6 *counted against the 5 percent administration cost limit specified*  
7 *in subdivision (c) of Section 65089.31.*  
8 (c) After deducting all costs incurred pursuant to this section,  
9 the department shall distribute the net revenues pursuant to  
10 subdivision (a) of Section 65089.31 of the Government Code.

O